

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
KAPIOLANI GARDENS
2439 Kapiolani Boulevard
Honolulu, Hawaii

REGISTRATION NO. 969

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: March 23, 1978
Expires: April 23, 1979

SPECIAL ATTENTION

A comprehensive reading by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE NOTICE OF INTENTION TO ESTABLISH A HORIZONTAL PROPERTY REGIME SUBMITTED ON JANUARY 23, 1978 AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 16, 1978. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. "KAPIOLANI GARDENS" is a proposed subleasehold condominium project consisting of seventy-three (73) residential apartments contained in a 19-story building which has two parking levels thereunder. Each apartment will have one (1) parking space appurtenant thereto. In addition, there will be three (3) parking spaces for guests. Eighteen (18) of the seventy-six (76) stalls are for compact cars.

2. The Developer of the project has submitted to the Commission all documents and materials deemed necessary by the Commission for the registration of this proposed condominium and the issuance of this Preliminary Public Report.
3. No advertising or promotional matter has been submitted to the Commission.
4. The basic documents of the project (the Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and the Floor Plan) have not been filed at the Bureau of Conveyances of the State of Hawaii.
5. Prospective purchasers of apartment units in the project are advised to acquaint themselves with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Condominium Rules and Regulations promulgated thereunder, which relate to Horizontal Property Regimes.
6. If the Final Public Report on the project is not issued within one (1) year from the date of this Preliminary Public Report, apartment purchasers may rescind the Sales Contract and be entitled to a refund of all monies paid, without further obligation. This Preliminary Public Report expires automatically thirteen (13) months after the date of issuance, March 23, 1978, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this Report.
7. This Preliminary Public Report is made a part of the registration of KAPIOLANI GARDENS condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers, and securing a signed copy of the receipt for the Preliminary Public Report from each purchaser.

NAME OF PROJECT: KAPIOLANI GARDENS

ADDRESS: The land (approximately 18,437 square feet) committed to the project is located at 2439 Kapiolani Boulevard, Honolulu, City and County of Honolulu, State of Hawaii.

TAX MAP KEY: FIRST DIVISION 2-7-19-1

ZONING: A-4 (Apartment)

DEVELOPER: GEORGE A. FAN & ASSOCIATES, INC., a Hawaii corporation, whose principal place of business is 1272 South King Street, Honolulu, Hawaii 96814, and whose telephone number is 524-1153. The officers are: GEORGE A. FAN, President & Secretary; JOANNA ZANE FAN, Vice-President & Treasurer; and YUJI KASAMOTO, Vice-President.

ATTORNEY REPRESENTING DEVELOPER: CHEE, LEE & OSHIRO (Attention: WILLIAM K. M. CHEE), Suite 1100, Pacific Trade Center, 190 South King Street, Honolulu, Hawaii 96813; telephone number 521-3434.

DESCRIPTION OF APARTMENTS: The proposed Declaration of Horizontal Property Regime and other documents filed with the Commission show that:

1. The project consists of 73 one-bedroom apartment units (each with a den) contained in a 19-story apartment building constructed principally of reinforced concrete, hollow tile blocks, wood and metal doors and frames, and jalousy windows with metal frames.
2. All apartment floors (except the 1st apartment floor) in said building are identical with each other, each containing, inter alia, 4 apartment units. The 1st apartment floor contains only 1 apartment unit, a tenant storage room and a recreation room with kitchen facilities. Adjacent to the recreation room by way of stairway access are a swimming pool, a terrace lanai, a recreation deck and 2 restrooms. Each apartment floor is designated by the number of the floor in the building, except there is no "13th apartment floor". The 13th floor of the building is designated as the "14th apartment floor", the 14th floor is designated as the "15th apartment floor", and so forth. A recreation deck with shuffle board facilities is located on the roof of the building.
3. The apartments of each floor will be numbered consecutively from 01 through 04, the sequence beginning from the East corner of the building, preceded by the number which corresponds with the floor on which the apartment is located. The apartment on the 1st apartment floor is designated as Apartment No. 101. Starting from the 2nd apartment floor, the apartments will bear nos. 201, 202, 203 and 204. Similarly, the apartments on each of the other floors will bear numbers which contain the number of the floor on which the apartment is located, followed by the number of the apartment.
4. All apartment units are of the same type. Each apartment contains: (a) 5 rooms plus a lanai (rooms include a living-dining room, a kitchen, a bedroom, a den and a bathroom; (b) about 777 square feet of floor area, 163 square feet, more or less, of which is in the lanai, leaving a net living area of about 614 square feet.
5. All apartments are furnished with the following: carpets throughout apartment, except kitchen and bathroom; range; range hood; refrigerator; garbage disposal unit; under-counter dishwasher; washer-dryer; and 3 sets of drapery to be installed in the living room and bedroom.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior loading walls, the floors and ceilings surrounding each apartment, or any pipes, wires, conduits, or other utility or service lines running through such apartment which are utilized or serve more than one apartment, the same being deemed common elements as herein-after provided. Each apartment shall be deemed to include the interior decorated or finished surfaces of all walls, floors and ceilings, and partitions within the perimeter walls, all window

glass, the unenclosed space within the lanai, the air space within the lanai and the perimeter walls, together with fixtures, appliances and other improvements located therein.

COMMON ELEMENTS: The common elements of the project include the limited common elements hereafter described and all other portions of the land and improvements other than the apartments. Said common elements shall include, but shall not be limited to, the following:

1. Said land in fee simple;
2. All foundations, columns, girders, beams, supports, bearing walls, party walls, roofs, floors, ceilings, lobbies, walkways, stairways, elevators, ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution;
3. All driveways, roads and other common ways, landscaping, yards, gardens, fences, retaining walls, refuse collection areas, mailbox areas and parking spaces 58, 59 and 60, as shown on the Condominium Map;
4. Any and all other apparatus and installation of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use;
5. All other parts of the project which are not included in the definition of an apartment.

LIMITED COMMON ELEMENTS: One (1) parking space will be assigned and made appurtenant to each apartment unit, as shown on Exhibit A, attached hereto. The parking spaces are numbered 1-76. Spaces numbered 1-39 inclusive are located on the "lower parking level", and spaces numbered 40-76 are on the "upper parking level". The following 18 numbered spaces are for compact-size cars: 2 & 3, 21-23 inclusive, 27-31 inclusive, 39, 58-60 inclusive, and 64-67 inclusive. All other parking spaces are for standard-size cars.

COMMON INTEREST: Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project, herein called the "common interest", and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting, as follows:

All apartments (except Apt. No. 101): 1.3698% common interest
Apartment No. 101: 1.3744% common interest

USE: The Declaration of Horizontal Property Regime provides that the apartments shall be occupied and used only as private dwellings, and shall not be rented for transient or hotel purposes, or used for any other purpose. The proposed House Rules prohibit any waterbeds, limit occupancy of all apartments to four persons, and permit only one pet per apartment.

OWNERSHIP: The Notice of Intention states that legal title to the land submitted to the Horizontal Property Regime is vested in ROSITA CHANG YEE, wife of Mung Yee Yap. A Preliminary Title Report prepared by Long & Melone, Ltd., a licensed abstractor, dated December 27, 1977, confirms the foregoing.

ENCUMBRANCES AGAINST TITLE: The aforesaid Preliminary Title Report indicates that the property is subject to the following:

1. Mortgage in favor of FINANCE FACTORS, LIMITED, a Hawaii corporation, dated December 21, 1972 and filed as Land Court Document No. 611654.
2. Mortgage in favor of said FINANCE FACTORS, LIMITED, dated November 27, 1973 and filed as Land Court Document No. 661888.
3. Unrecorded Lease between ROSITA CHANG YEE and GAF CORPORATION, dated May 29, 1975. A Short Form of said Lease is dated February 2, 1976 and filed as Land Court Document No. 756770, and amended by instrument dated December 31, 1976 and filed as Land Court Document No. 803751.
4. For any taxes that are due and owing, reference is made to the Office of the Tax Assessor, First Division.
5. Financing Statement recorded in Book 8578, Page 126. Said Financing Statement is still effective and is continued by instrument recorded August 10, 1977 in the Bureau of Conveyances in Book 12369, Page 23.
6. Financing Statement recorded in Book 9675, Page 106.
7. Financing Statement recorded in Book 10356, Page 479.
8. Financing Statement recorded in Book 12018, Page 239.

Developer has submitted to the Commission a copy of a Development Agreement between it and the aforesaid GAF CORPORATION. Said Agreement, dated January 6, 1978, provides for Developer's purchase of certain rights to improve the property and GAF CORPORATION's issuance of Apartment Leases to unit purchasers.

PURCHASE MONEY HANDLING: LONG & MELONE ESCROW, LTD., a Hawaii corporation, has been designated as Escrow Agent for the project, pursuant to an Escrow Agreement between the Developer and said Agent, dated January 18, 1978. The Commission finds that said Agreement is in consonance with Chapter 514A, Hawaii Revised Statutes, and particularly Sections 514A-37, 39, and 63-66, inclusive. The Escrow Agreement provides, inter alia, that:

1. All monies paid or payable by purchaser under any Sales Contract shall be remitted or payable to Escrow Agent.
2. All monies received by Escrow Agent shall be deposited in an interest-bearing account, and all interest earned therefrom shall belong to and inure to the benefit of the Developer.

3. A purchaser shall be entitled to a refund of his funds, without interest, if he requests the same in writing and any one of the following events has occurred:
 - a. The Seller has requested Escrow Agent in writing to return the funds of purchaser then being held by Escrow Agent; and
 - b. Purchaser's funds were obtained prior to the issuance of a Final Public Report on the project and (1) said Report differs in any material respect from the Preliminary Public Report, or (2) there is a change in the condominium building plans subsequent to the execution of the purchaser's Sales Contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless purchaser has given written approval or acceptance of the change; or
 - c. If the Final Public Report is not issued within one (1) year from the date of the issuance of the Preliminary Public Report, unless the purchaser consents to an extension of time for the issuance thereof.

The Commission advises prospective purchasers to read and understand the Escrow Agreement before executing the Sales Contract.

The Sales Contract filed with the Commission provides that the Sales Contract shall not be binding upon the Developer, as Seller, or the Purchaser until (1) a true copy of the Commission's Final Public Report for the project, with all supplementary reports attached thereto (if any have been issued), has been given to the apartment purchaser, (2) the apartment purchaser has executed a receipt for or otherwise acknowledged receipt of the aforesaid report(s), and (3) 48 hours have elapsed since the apartment purchaser executed such receipt or acknowledged receipt of such report(s). Also, said Sales Contract form provides that the lien of any construction mortgage shall be superior to any rights of purchasers under a Sales Contract.

MANAGEMENT AND OPERATION: The By-Laws of the Association of Apartment Owners provide that the Board of Directors of KAPIOLANI GARDENS shall employ a Managing Agent to manage and control the project. By virtue of an Agreement dated February 10, 1978, a copy of which has been provided the Commission, TOWN MANAGEMENT, INC., has been designated the first management agent.

STATUS OF PROJECT: The Developer has advised the Commission that a Construction Contract with HARVIS CONSTRUCTION, INC., for the construction of building improvements will be signed on or before March 17, 1978, that construction will commence on or before May 7, 1978, and that construction of improvements will be completed on or before June 30, 1979.

Purchasers or prospective purchasers should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted January 23, 1978 and information subsequently filed as of March 16, 1978.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES CONDOMINIUM PUBLIC REPORT which is made a part of REGISTRATION NO. 969 filed with the Commission on January 23, 1978. This report when reproduced shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.

Ah Kau Young
AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

DISTRIBUTION:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 969

March 23, 1978

<u>Apartment No.</u>	<u>Parking Space No.</u>	<u>Apartment No.</u>	<u>Parking Space No.</u>
PH 1	68	1001	25
PH 2	69	1002	30
PH 3	70	1003	29
PH 4	34	1004	28
1901	35	901	26
1902	31	902	27
1903	32	903	71
1904	33	904	72
1801	11	801	73
1802	12	802	74
1803	13	803	75
1804	14	804	76
1701	15	701	51
1702	16	702	50
1703	36	703	49
1704	37	704	48
1601	7	601	47
1602	8	602	46
1603	9	603	45
1604	10	604	44
1501	38	501	52
1502	39	502	53
1503	6	503	54
1504	5	504	55
1401	17	401	40
1402	18	402	41
1403	19	403	42
1404	20	404	43
1201	1	301	56
1202	2	302	57
1203	3	303	65
1204	4	304	66
1101	21	201	61
1102	22	202	62
1103	23	203	63
1104	24	204	64
		101	67

EXHIBIT A